

Alabama Medicaid Agency

Regional Care Organization (RCO) Frequently Asked Questions (FAQs)



As of October 20, 2014

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Probationary Applications	
Date Added/ Revised	Questions and Answers
7/24/14	<p>Q1. Step 5-Upload Documents section of the RCO application user guide states “Document Type Options.” Does the use of the word "options" mean that certain documents do not need to be uploaded?</p> <p>A1. An organization might not be uploading all of the document types listed in Step 5. An organization is required to include in its application for Probationary Certification the information and documentation required by Rule No. 560-X-62-.05. With respect to the organizational and governing documents required to be provided, please reference subsection 7(h) of the rule. If there is no operating agreement or trust agreement in existence concerning the organization's internal affairs, then no operating agreement or trust agreement is required to be uploaded as part of the initial application process. A copy of Form 1023 is required to be uploaded only if Form 1023 has been filed by the organization.</p>
7/24/14	<p>Q2. What is considered a risk bearing entity?</p> <p>A2. According to Section 22-6-151(c)(1)(a) a participant bears risk by contributing cash, capital, or other assets to the regional care organization or by contracting with the regional care organization to treat Medicaid beneficiaries at a capitated rate or to treat Medicaid beneficiaries even if the regional care organization does not reimburse the participant.</p>
7/24/14	<p>Q3. Can an appointment to the board (by an outside entity) be contingent on member approval or, for example, on approval by other board members?</p> <p>A3. According to Section 22-6-151, such appointments are not contingent on such approvals.</p>
7/24/14	<p>Q4. Can entities submit placeholder information or write “To Be Determined” in fields that are not yet available (e.g. Medicaid ID number, NPI, committee members, governing board members, etc.)? Will the application be accepted without full content?</p> <p>A4. An application may be initially submitted without full content. For instance, it is not necessary for an organization to identify all board members in its initial application for Probationary Certification. The organization may supplement its application to identify additional board members. However, no organization shall be granted probationary certification without the Medicaid Agency's review and approval of all information concerning the organization's governing board, the board's structure, powers, bylaws, or other rules of procedure, and all amendments thereto, as well as all information concerning the organization's citizen's advisory committee required by Rule No. 560-X-62.05. Accordingly, any delay in identifying board members, committee members or</p>

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	other requisite information will likely delay the Medicaid Agency's review and potential approval of the application for Probationary Certification. If an applicant needs to provide placeholder information, please use the following format: Text fields = TBD, Phone Numbers = (888)888-8888, Zip Codes = 88888, Dropdown selections = Unknown.
7/24/14	<p>Q5. Will there be an opportunity to correct and/or update information after it has been submitted? Can documents be amended after they are finalized by Alabama Medicaid Agency?</p> <p>A5. The Medicaid Agency expects organizations to provide correct information on applications for probationary certification. Medicaid presumes that all information provided in each application is true and accurate. Medicaid expects that there will be an open dialogue with all applicants during the evaluation process. The organization may supplement its application for probationary certification after August 1, 2014. However, no organization shall be granted probationary certification without the Medicaid Agency's review and approval of all information required by Rule No. 560-X-62-.05, including supplemental information. Accordingly, supplemental information may delay the Medicaid Agency's review and potential approval of the application for Probationary Certification. Once Medicaid has granted an organization probationary certification, any material change will require Medicaid review and approval. There will be additional requirements to be met in order for the probationary organization to achieve full certification.</p>
7/24/14	<p>Q6. What specifically does the organizational chart need to include (e.g. legal structure, RCO administrative structure, etc.)?</p> <p>A6. Please see Rule No. 560-X-62-.05(7)(d) for description of the organizational chart.</p>
7/24/14	<p>Q7. Does the Alabama Medicaid Agency want to receive copies of each Board member's signed certification form or can an entity attest to its accuracy?</p> <p>A7. Rule No. 560-X-62-.05(12) requires certification by the organization in its application for Probationary Certification.</p>
7/24/14	<p>Q8. Are probationary RCOs required to submit its IRS Form 1023 (Application of Recognition of Exemption) by August 1, 2014 or can this be provided at a later date?</p> <p>A8. An organization is required to include in its application for Probationary Certification the information and documentation required by Rule No. 560-X-62-.05. A copy of Form 1023 is required to be uploaded only if Form 1023 has been filed by the organization. The Medicaid Agency expects the organization to supplement its application to include Form 1023 if such tax filing is made.</p>

Probationary Applications	
Date Added/ Revised	Questions and Answers
7/24/14	<p>Q9. According to the Executive Committee in SB 459 Page 6 Line 8, does a MASA appointed physician have to be on the Citizens Advisory Committee?</p> <p>A9. This requirement is applicable only to Section 22-6-151(c) of the Alabama Code.</p>
7/24/14	<p>Q10. In Rule 560-X-62-.09, Provider Standards Committee, what is meant by "Performance standards shall not include office hours, terms of reimbursement or the application of such standards in a contract between a regional care organization and a provider?"</p> <p>A10. The purpose of this sentence is to prevent these issues from being presented to the Medicaid Quality Assurance Committee as provided for in Section 22-6-154 of the Alabama Code. Contests concerning these "exceptions" from performance standards are more appropriate for review by grievance procedures set forth in the provider contract disputes rule (560-X-62-.11).</p>
7/24/14	<p>Q11. Can an entity submit a Notice of Intent in order to just receive login information and review in detail what the application requires and how the process is set up?</p> <p>A11. Once an entity submits a Notice of Intent, the entity can determine whether they want to pursue the option. However, all those who submit a Notice of Intent are listed on the Agency's public website.</p>
7/24/14	<p>Q12. Can a parent of a patient be a representative on the Citizen's Advisory Committee and represent as a "recipient?"</p> <p>A12. According to Rule 560-X-62-.04 and the Section 22-6-151(d), at least 20 percent of a Citizen's Advisory Committee shall be Medicaid beneficiaries. The Medicaid Agency will evaluate whether this requirement has been met. There is no restriction on parents of children serving on a Citizen's Advisory Committee; however, a representative of a Medicaid beneficiary will not satisfy the 20 percent requirement.</p>
7/24/14	<p>Q13. Does a probationary RCO have to have a professional license or a facility license?</p> <p>A13. Rule 560-X-62-.05(7)(e) states that an applicant must provide: "the applicant's applicable National Provider Identifier (NPI) number(s), Medicaid ID number(s) Taxpayer Identification Number(s) (TIN), and any state professional or facility license number(s)." The key word in this requirement is applicable. If an organization does not have a professional license or a facility license then that particular organization would leave that field blank. If, however, the organization is structured as to require either of those licenses, then Medicaid must be put on notice of that license number.</p>

Probationary Applications	
Date Added/ Revised	Questions and Answers
9/9/14	<p>Q14. Is a TIN or a SSN required for all Governing Board members?</p> <p>A14. For risk-bearing Governing Board participants, a TIN is required if the individual is a “representative” of the risk-bearing organization. If an individual is bearing risk and is not a “representative,” he or she is required to provide a SSN. For non-risk bearing Governing Board participants, a SSN or a TIN from his or her appointing organization is required.</p>
10/20/14	<p>Q15. In the application form for Step 1, can the applicant mark “unknown” for the Executive Committee and/or Other Committee sections and still receive probationary certification?</p> <p>A15. For the Executive Committee and/or Other Committee sections, the probationary RCO applicant must respond with a “yes” or “no”. A response other than a “yes” or “no” will prevent the applicant from receiving probationary certification. If the applicant establishes or makes changes to its Executive Committee and/or Other Committee at any time during the evaluation process or after, Alabama Medicaid must be notified and Medicaid will review and approve as necessary.</p>
9/9/14	<p>Q16. Are both risk-bearing and non-risk bearing members of the Governing Board required to have or be identified in a Certificate to Collaborate?</p> <p>A16. Yes, all members of the Governing Board must have an individual Certificate to Collaborate or have their name included in the probationary RCO organization’s Certificate to Collaborate application.</p>
9/9/14	<p>Q17. Are applicants required to provide evidence regarding appointments made by outside organizations for non-risk bearing participants on the Governing Board?</p> <p>A17. Yes, for members appointed by outside organizations applicants are required to provide proof, in the form of an email or letter, from the appointing authorities.</p>
9/9/14	<p>Q18. For the five non-risk bearing medical professionals appointed to the Governing Board, how do we demonstrate that these individuals are not employed or plan on being employed by the risk-bearing entity?</p> <p>A18. The probationary RCO applicant must provide an attestation, in the form of an email or letter, indicating that the 5 non-risk bearing medical professionals are not employed or plan on being employed by the risk-bearing entity.</p>

Probationary Applications	
Date Added/ Revised	Questions and Answers
9/9/14	<p>Q19. In the application portal, are applicants allowed to edit or delete information that has already been submitted?</p> <p>A19. Applicants will only be allowed to edit/amend information that has already been submitted through the portal. Applicants are not allowed to delete or withdraw application forms or documentation through the portal but these materials can be edited/amended to reflect the most up-to-date information.</p>
9/9/14	<p>Q20. Will information submitted through the portal be made available to the public?</p> <p>A20. All information submitted through the portal – draft and/or final documentation – will be provided to the public if requested through the public records request process. The Medicaid Agency may redact confidential or personal information prior to disclosure.</p>
10/7/14	<p>Q21. Will the members of the governing board of an RCO have to disclose compensation information pursuant to conflict of interest policy or any of the applicable statutes or regulations?</p> <p>A21. Ala. Code 22-6-151(f) provides that a regional care organization shall provide such financial reports and information as required by the Agency. Ala. Code 22-6-153(h)(5) provides that the Agency shall conduct or contract for a financial audit of each RCO at least every three years. Financial reports required by the Agency and/or information subject to the Agency’s review in an audit may include the RCO’s compensation of its directors.</p> <p>Some types of compensation received by a director may be required to be disclosed on the director’s annual conflict of interest statement, pursuant to Agency Rule No. 560-X-62.08.</p> <p>If an RCO is a 501(c)(3) organization, it will be required to disclose on IRS Form 990 compensation paid by the RCO and certain related organizations to the RCO’s directors, officers, certain key employees, and certain independent contractors. Form 990 is a public document that is available from the IRS upon the request of any person.</p>

Benefits/Covered Services	
Date Added/ Revised	Questions and Answers
7/24/14	<p>Q22. Will RCOs provide the same benefits and covered services that are offered under the FFS program?</p> <p>A22. At a minimum, RCOs will be required to provide the same level of covered benefits and services as provided under the FFS program. Enhanced benefits and covered services will be at the RCOs discretion subject to Medicaid approval, but will not be accounted for in the development of capitation rates.</p>
7/24/14	<p>Q23. What happens when enrollees move from one RCO area to another? If one RCO provided equipment or a service and their new RCO did not, what would happen? How would the transition take place?</p> <p>A23. More information will be forthcoming with the release of the RCO contracts.</p>
7/24/14	<p>Q24. What requirements or restrictions would Medicaid allow RCOs to place on second opinions?</p> <p>A24. More information will be forthcoming with the release of the RCO contracts.</p>

Payments, Reimbursements and Capitation	
Date Added/ Revised	Questions and Answers
7/24/14	<p>Q25. Will RHC reimbursement rates change? If so, how and who would decide the reimbursement rates?</p> <p>A25. More information will be forthcoming with the release of the RCO contracts.</p>
7/24/14	<p>Q26. Has the Alabama Medicaid Agency given additional thought to providing wrap-around payments to specialty providers such as Children's Hospital?</p> <p>A26. This is still under evaluation.</p>
7/24/14	<p>Q27. How will Medicaid administer the withhold?</p> <p>A27. This is still under active consideration.</p>
7/24/14	<p>Q28. Can the RCO withhold quality money from the Medicaid fee schedule rates for fee-for-service providers?</p> <p>A28. Quality money cannot be withheld unless the provider is in agreement.</p>
10/07/14	<p>Q29. Does the capitated rate include transportation costs?</p> <p>A29. While nonemergency transportation costs are not currently included in the capitated rate for the RCO program AMA does intend to add in next iteration. Ambulance transportation costs are currently included in the capitated rate.</p>
10/7/14	<p>Q30. Will AMA provide trend data on savings and capitation rates beyond year one?</p> <p>A30. Trend data beyond year 1 is available in the 1115 Waiver document on the website. As was mentioned during the meeting held on July 22, 2014, the figures shared by Optumas are in extremely draft form. The goal is to hold actuarial workgroup meetings with the RCOs to discuss the rate setting process. These meetings, however, would not occur until actual rates are being determined. Therefore, rather than provide draft assumptions that will almost surely change, we feel that it would be best to hold off on getting into the detailed assumptions until the rate setting process begins.</p>
10/7/14	<p>Q31. Will AMA consider reducing the quality withhold to 1-2.5%? Or make it a take-back penalty instead of a withhold?</p> <p>A31. All financial related items are still under consideration. More details will be forthcoming in the financial solvency rules and the RCO contract.</p>

Network Adequacy	
Date Added/ Revised	Questions and Answers
7/24/14	<p>Q32. Network adequacy rules say RCOs must have documentation by April 1, 2015, of their ability to create adequate networks. What type of documentation will be required?</p> <p>A32. Probationary RCOs will need to submit the following:</p> <ul style="list-style-type: none"> • Letters of Intent from potential providers stating that they plan to participate in the RCO's network by April 2015 for RCO start dates of October 2016. • Provider contracts by April 2015 for RCO start dates prior to October 2016.
7/24/14	<p>Q33. Are there any measures in place by the Agency or CMS related to time to appointment and office wait times? How would this data be collected to validate/demonstrate compliance?</p> <p>A33. Section 22-6-153(h)(2) specifically requires AMA to establish by rule the service delivery network requirements. With regard to the measurement of access requirements, typically states require managed care organizations to establish mechanisms to ensure that network providers comply with the timely access requirements, monitor regularly to determine compliance, and take corrective action if there is a failure to comply. The State can ask to review the managed care organization's policy and procedure to govern compliance. The State can ask for copies of the organization's reports/phone surveys, etc. Other elements for review to see if there is reason to monitor more would come from member services call reports and complaints logs.</p>

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Miscellaneous	
Date Added/ Revised	Questions and Answers
7/24/14	<p>Q34. Will healthcare providers be automatically enrolled in an RCO or will they have a choice to not participate and continue to provide services under FFS?</p> <p>A34. Healthcare providers will not be automatically enrolled into the RCO program. Providers will have a choice in determining whether they would like to contract with an RCO and/or continue to provide FFS services to non-RCO clients. It may be that RCOs may offer a FFS contract to providers for RCO clients.</p>
7/24/14	<p>Q35. Will the State consider the use of a phased-in effectuation of RCO beneficiaries?</p> <p>A35. The State does not anticipate use of a phased-in effectuation of RCO beneficiaries within a region.</p>
7/24/14	<p>Q36. If the Alabama Medicaid Agency decides to have one statewide PBM with one formulary who will conduct prior authorizations over specialty and other appropriate drugs?</p> <p>A36. This is still under evaluation.</p>
7/24/14	<p>Q37. Will limits on physician visits, hospital days, dialysis and other services continue under the RCOs? If not, will the removal of such limits be accounted for in the development of the RCOs' capitation rates?</p> <p>A37. Capitation rates are based on current expenditures. The RCO may choose to relax limits but will not be accounted for in the development of the capitation rates.</p>
7/24/14	<p>Q38. What is a realistic timeframe to expect CMS to decide Alabama Medicaid Agency's 1115 waiver?</p> <p>A38. Alabama Medicaid Agency is expecting a decision within 12-18 months from the submission date. The waiver was submitted on May 30, 2014.</p>
7/24/14	<p>Q39. Can PCNA use its reserve to invest in a Regional Care Organization and thereby become a risk bearer?</p> <p>A39. After reviewing ACA Section 2703, the SPA related to Health Home Services and the active PCNA RFP, there is no obvious way for Medicaid to approve the use of reserve PCNA funds for a capital contribution to a regional care organization. The State provides payment to the PCNA "for the provision of health home services." Health home services are broadly defined by category in the ACA, but the SPA goes further to give specific meaning to each of the six categories of services. If any PCNA feels strongly that this use of reserve funds should be considered acceptable to Medicaid, it would be helpful to hear its justification.</p>
10/7/14	<p>Q40. Will AMA consider releasing portions (i.e. provider contract language) of the draft contract prior to the November/December schedule?</p> <p>A40. AMA is still considering if it is feasible to release sections of contract prior to the November/December schedule.</p>

Miscellaneous	
Date Added/ Revised	Questions and Answers
10/7/14	<p>Q41. Has AMA made a decision about pharmacy?</p> <p>A41. All pharmacy related items are still under consideration.</p>
10/7/14	<p>Q42. Will FQHC's be required to join an RCO? Will they continue to receive the current encounter rate or have to negotiate a new contract with the RCO?</p> <p>A42. Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) will not be required to join a Regional Care Organization. However, an FQHC may choose to contract with a Regional Care Organization if it chooses to do so. Also, Regional Care Organizations will be required to contain an adequate number, as determined by the Agency, of PMPs.</p> <p>The Regional Care Organizations must negotiate and pay FQHCs and RHCs at rates no less than what it pays to other Providers who provide comparable services in its Provider Network. The agency will provide a wraparound payment if there is any difference between the rate paid by the RCO and the PPS rate.</p> <p>Regional Care Organizations will be required to cover and provide laboratory services, durable medical equipment and supplies, eye care services, prosthetic and orthotic devices, renal dialysis, various therapy services and various transportation services. Whether Pharmacy is carved-in or out of the Regional Care Organization program is still under consideration.</p>
10/7/14	<p>Q43. Will AMA considering adjusting the Health Home program's educational requirements for case management workers (BSN v. LPN) as it would cost more money?</p> <p>A43. The RFP is still under development and more information will be forthcoming upon release of the RFP.</p>